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Accountants and Consultants for Debtors

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

IN RE:
PEPPERTREE PARK VILLAGES 9&10, LLC
DEBTOR.
PEPPERTREE PARK VILLAGES 9&10, LLC
CASE No. 17-05137-LT7
PEPPERTREE LAND COMPANY
CASE No. 17-05135-LT11
NORTHERN CAPITAL, INC.
CASE No. 17-04845-LT11
DUANE SCOTT URQUHART
CASE No. 17-04846-LT11
DEBTORS.

LEAD CASE No. 17-05137-LT7

CHAPTER 7

(JOINTLY ADMINISTERED)

**BAKER TILLY US, LLP FKA SQUAR
 MILNER LLP JOINDER IN RESPONSE
 TO OBJECTION OF POINTS AND
 AUTHORITIES IN SUPPORT OF
 OBJECTION TO PURPORTED POST-
 CONFIRMATION ADMINISTRATIVE
 EXPENSE CLAIMS; DECLARATION
 OF STACY ELLEDGE CHIANG**

Date: April 12, 2023
 Time: 2:00 p.m.
 Dept.: Three (3)
 Judge: Honorable Laura S. Taylor

TO THE HONORABLE LAURA S. TAYLOR, UNITED STATES BANKRUPTCY JUDGE:

Baker Tilly US, LLP fka Squar Milner LLP (“Baker Tilly”), as an administrative claimant, hereby joins and supports the response, objection and arguments set forth in *Foley & Lardner LLP’s Amended Response to Objection of Points and Authorities in support of Objection to Purported Post-Confirmation Administrative Expense Claims* [docket #1044]. On March 15, 2023, Justus Wallace filed the *Memorandum of Points and Authorities in Support of Objection to Purported Post-*

1 *Confirmation Administrative Expense Claims* (“Objection”) [docket #1042], which included an
2 objection to a portion of Baker Tilly’s administrative claim filed on November 3, 2022 [docket # 822].

3 Similar to arguments set forth by Foley & Lardner LLP, Baker Tilly asserts that its post-
4 confirmation tax services rendered to Peppertree Park Villages 9&10, LLC (“9&10”) were necessary
5 for the consummation of the approved joint plan of reorganization (“Plan”) as tax reporting compliance
6 is required for an entity to remain in good standing with various federal and state authorities, something
7 that was necessary for 9&10 as it pursued its real estate development efforts as contemplated in the
8 Plan. Baker Tilly’s unpaid services to 9&10 during the post-confirmation period total \$6,437.50, for
9 preparation and filing of 9&10’s 2019 and 2020 returns as well as a small charge for consulting services
10 relative to research performed during the pandemic for potential federal programs’ aid. Additionally,
11 although the 2019 tax returns were prepared in 2020, the 2019 tax returns reported transactions from
12 9&10’s pre-confirmation chapter 11 period and were filed in accordance with insolvency procedures
13 and standards, with the insolvency units of taxing authorities. Baker Tilly asserts that these services
14 were necessary in order for 9&10 to work towards consummation of the Plan. For ease of reference,
15 Baker Tilly’s post-confirmation invoices and a summary of Baker Tilly charges that are also attached
16 with Baker Tilly’s administrative claim are attached hereto at **Exhibit A**.

17 Baker Tilly also adopts any additional legal arguments asserted by the other administrative
18 claims in response to the Objection.

19
20 WHEREFORE, the Court should overrule the Objection as it pertains to Baker Tilly’s
21 administrative claim and grant such other and further relief as is appropriate under the circumstances.

22
23 Respectfully Submitted,
24 BAKER TILLY US, LLP

25 Dated: March 31, 2023
26 San Diego, California

27 /s/ Stacy Elledge Chiang
28 Stacy Elledge Chiang, CPA/CFF, CIRA

DECLARATION OF STACY ELLEDGE CHIANG

I, STACY ELLEDGE CHIANG, declare:

I am a Certified Public Accountant and a director of Baker Tilly US, LLP fka Squar Milner LLP (“Baker Tilly”). The matters stated herein are true and correct and within my personal knowledge. If called as a witness, I could and would competently testify thereto.

I am authorized to file this response on behalf of Baker Tilly, a non-attorney professional, using my electronic filing credentials in this district.

I have been involved in the preparation and filing of Baker Tilly’s fee applications and administrative claim motion in addition to this response. I have personally reviewed the underlying billing charges and determined that all such charges were reasonable and necessary in the circumstances.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 31st day of March 2023, at San Diego, California.

/s/ Stacy Elledge Chiang

Stacy Elledge Chiang, CPA/CFF, CIRA

EXHIBIT “A”

In re: Peppertree Park Villages 9&10, LLC**Summary of Baker Tilly US, LLP fka Squar Milner LLP Administrative Claim for Peppertree Park Villages 9&10, LLC**

	<u>Date</u>	<u>Invoice / docket #</u>	<u>Order docket #</u>	<u>Amount ⁽¹⁾</u>	<u>Notes</u>
Squar Milner					
SM First interim application fees and costs	12/20/18	dk. 446	dk. 472	\$ 11,545.42	BK consulting and 2017 returns
SM Second and final application fees and costs	11/14/19	dk. 644	dk. 669	10,672.34	BK consulting and 2018 returns
Total SM chapter 11 allowed fees and costs	11/14/19	dk. 644	dk. 669	22,217.76	
Payment received	03/19/20			(1,800.00)	Received combined payment for 4 cases; amount per left is amount allocated to 9&10.
Payment received	09/28/20			(10,000.00)	
SM post-confirmation invoice	10/19/20	SM Inv. 283809	N/A	4,937.50	2019 returns + 25% of consulting charges
Total SM balance				15,355.26	
Baker Tilly					
BT post-confirmation invoice	07/01/21	BT Inv. 1864899	N/A	1,500.00	2020 returns
Total Baker Tilly fka Squar Milner balance				\$ 16,855.26	

Summary of outstanding balance	
Chapter 11 pre-confirmation fees and costs	\$ 10,417.76
Post-confirmation fees and costs	6,437.50
	<u>\$ 16,855.26</u>

Notes:

Sources : Fee applications filed by Squar Milner LLP, orders entered by the United States Bankruptcy Court, internal billing records of Baker Tilly US, LLP.

⁽¹⁾ Amounts pertain only to services rendered to and payments applied to account of Peppertree Park Villages 9&10, LLC.



18500 Von Karman Ave, 10th Floor
Irvine, CA 92612

Phone: (949) 222-2999 Fax: (949) 809-4937

Peppertree Park Villages & Related Entities
Duane Scott Urquhart
5256 S. Mission Road, Suite 905
Bonsall, CA 92003

Invoice #: 283809
Date: 10/19/2020
Payment Due: Upon Receipt
Client ID: URQUHARTBK

Attn:

Email:

Credit Card () VISA () MC () AMEX () Other _____ Amount Enclosed \$ _____

Acct # _____ Exp. Date _____ CSC # _____

Signature _____

(I agree to the above mentioned charges)

Please return top portion with remittance.

Squar Milner LLP

Peppertree Park Villages & Related Entities

Invoice #: 283809

Northern Capital, Inc.

Preparation and filing via certified mail in triplicate of 2019 extension, tax returns and special attachments.

\$4,250.00

Peppertree Park Villages 9&10, LLC

Preparation and filing via certified mail in triplicate of 2019 extension, tax returns and special attachments.

\$4,500.00

Peppertree Land Company

Preparation of filing via certified mail in triplicate of 2019 extension, tax returns and special attachments.

\$5,000.00

Peppertree Land Investors, LLC

Preparation and filing via certified mail of 2019 tax returns and extension for initial year.

\$1,500.00

Research and consultations by P. Dumas, C. Banzali and S. Chiang upon request re PPP, SBA and CARES Act.

\$1,750.00

Peppertree 9&10 2020 returns	\$4,500.00
Allocated 25% share of consulting	437.50
Total Peppertree 9&10 - see Exhibit A	<u>\$4,937.50</u>

\$17,000.00

Thank you for your business. If you have questions about this invoice, please call 949-222-2999 or email billing@squarmilner.com.

To make a payment, please visit our website at SquarMilner.com

Baker Tilly US, LLP
 3655 Nobel Drive Suite 300
 San Diego, CA 92122 • 858 597 4100



Peppertree Park Villages 9&10, LLC
 5256 S. Mission Road, Ste. 905
 Bonsall, CA 92003

Invoice Date: July 1, 2021
Invoice Number: BT1864899
Client Number: 212000

INVOICE**AMOUNT**

Fees		
Preparation of 2020 LLC tax return		\$1,500.00
	Fees Total:	\$1,500.00
	Expenses Total:	\$0.00
	Invoice Total:	\$1,500.00

For questions, comments or suggestions, please contact Kathy Schmidt at 858 597 4100.

Balance is payable upon receipt or previously agreed upon terms.

Finance charge 1.5% per month (annual rate 18%). Applied on unpaid balance after 30 days from original invoice date.

To pay by Credit Card, Debit Card, or EFT using your Checking Account visit www.bakertilly.com/payment.

There is 3.5% surcharge on all Credit Card payments. There is no fee for Debit Card or EFT Payments.

Please ACH or wire payment to:	Or send payment to:	Reference:
US Bank, Milwaukee, WI Routing No: 075000022 Account No: 312220280 Reference #: BT1864899	Baker Tilly US, LLP PO Box 511563 Los Angeles, CA 90051-8118	Client Number: 212000 Invoice Number: BT1864899 Amount Enclosed: \$_____

PROOF OF SERVICE

I am over the age of eighteen years and am not a party to the within action. I am employed in the County of San Diego, State of California, at Baker Tilly US, LLP. My business address is 3655 Nobel Drive, Suite 300, San Diego, CA 92122. On March 31, 2023, I served ☒ a true copy / ☐ the original of the foregoing document(s) described as:

**BAKER TILLY US, LLP FKA SQUAR MILNER LLP JOINDER IN RESPONSE TO
OBJECTION OF POINTS AND AUTHORITIES IN SUPPORT OF OBJECTION TO
PURPORTED POST-CONFIRMATION ADMINISTRATIVE EXPENSE CLAIMS;
DECLARATION OF STACY ELLEDGE CHIANG**

X **BY CM/ECF NOTICE OF ELECTRONIC FILING:** Pursuant to controlling General Orders, a true copy will be served by the Court via Notice of Electronic Filing ("NEF") and hyperlink to the document. I checked the CM/ECF docket for this case and determined that the parties on the attached Service List are on the Electronic Mail Notice List to receive NEF transmission at the electronic mail addresses noted.

 BY UNITED STATES MAIL: I enclosed the document(s) in a sealed envelope or package to the parties on the attached Service List and placed it for collection and mailing, following our ordinary business practices. I am readily familiar with the firm's practice for collecting and processing correspondence for mailing. On the same day that correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid.

 BY OVERNIGHT DELIVERY: I enclosed the document(s) in an envelope or package provided by an overnight delivery carrier and addressed to the parties on the attached Service List. I placed the envelope or package for collection and overnight delivery at an office or a regularly utilized drop box of the overnight delivery carrier.

 BY ELECTRONIC MAIL: I caused the document(s) to be sent to the parties on the attached Service List at the electronic mail addresses listed.

 BY FACSIMILE: I faxed the document(s) to the parties on the attached Service List at the fax numbers listed. No error was reported by the fax machine that I used. A fax transmission record was printed, a copy of which is maintained by this office. **BY MESSENGER SERVICE:** I provided the document(s) to a professional messenger service for delivery to the parties on the attached Service List.

I declare under penalty of perjury under the laws of the United States of America and the State of California that the foregoing is true and correct. Executed on March 31, 2023, in San Diego, California.

/s/ Stacy Elledge Chiang

Stacy Elledge Chiang, CPA/CFF, CIRA

IN RE: PEPPERTREE PARK VILLAGES 9&10, LLC

U.S.B.C. CASE NO.: 17-05137-LT7

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